

Property, Real Estate, and Community Association Managers

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Significant Points

- Many enter the occupation as onsite managers of apartment buildings, office complexes, or community associations, or as employees of property management firms or community association management companies.
- Forty-six percent of property, real estate, and community association managers are self-employed.
- Opportunities should be best for those with college degrees in business administration or related fields, as well as professional designations.

Nature of the Work

Buildings can be homes, stores, or offices to those who use them. To businesses and investors, properly managed real estate is a potential source of income and profits, and, to homeowners, it is a way to preserve and enhance resale values. Property, real estate, and community association managers maintain and increase the value of real estate investments. *Property and real estate managers* oversee the performance of income-producing commercial or residential properties, and ensure that real estate investments achieve their expected revenues. *Community association managers* manage the common property and services of condominiums, cooperatives, and planned communities through their homeowners' or community associations.

When owners of apartments, office buildings, or retail or industrial properties lack the time or expertise needed for day-to-day management of their real estate investments or homeowners' associations, they often hire a property or real estate manager, or community association manager. The manager is employed either directly by the owner or indirectly through a contract with a property management firm.

Generally, property and real estate managers handle the financial operations of the property, ensuring that rent is collected and that mortgages, taxes, insurance premiums, payroll, and maintenance bills are paid on time. In community associations, although homeowners pay no rent and pay their own real estate taxes and mortgages, community association managers must collect association dues. Some property managers, called *asset property managers*, supervise the preparation of financial statements and periodically report to the owners on the status of the property, occupancy rates, dates of lease expirations, and other matters.

Often, property managers negotiate contracts for janitorial, security, groundskeeping, trash removal, and other services. When contracts are awarded competitively, managers solicit bids from several contractors and recommend to the owners which bid to accept. They monitor the performance of contractors and investigate and resolve complaints from residents and tenants when services are not properly provided. Managers also purchase supplies and equipment for the property and make arrangements with specialists for repairs that cannot be handled by regular property maintenance staff.

In addition to these duties, property managers must understand and comply with provisions of legislation, such as the Americans with Disabilities Act and the Federal Fair Housing Amendment Act,

as well as local fair housing laws. They must ensure that their renting and advertising practices are not discriminatory and that the property itself complies with all of the local, State, and Federal regulations and building codes.

Onsite property managers are responsible for day-to-day operations for one piece of property, such as an office building, shopping center, community association, or apartment complex. To ensure that the property is safe and properly maintained, onsite managers routinely inspect the grounds, facilities, and equipment to determine if repairs or maintenance are needed. They meet not only with current residents when handling requests for repairs or trying to resolve complaints, but also with prospective residents or tenants to show vacant apartments or office space. Onsite managers also are responsible for enforcing the terms of rental or lease agreements, such as rent collection, parking and pet restrictions, and termination-of-lease procedures. Other important duties of onsite managers include keeping accurate, up-to-date records of income and expenditures from property operations and submitting regular expense reports to the asset property manager or owners.

Property managers who do not work onsite act as a liaison between the onsite manager and the owner. They also market vacant space to prospective tenants through the use of a leasing agent or by advertising or other means, and establish rental rates in accordance with prevailing local economic conditions.



Property, real estate, and community association managers manage, maintain, and increase the value of real estate investments.

Some property and real estate managers, often called *real estate asset managers*, act as the property owners' agent and adviser for the property. They plan and direct the purchase, development, and disposition of real estate on behalf of the business and investors. These managers focus on long-term strategic financial planning rather than on day-to-day operations of the property.

When deciding to acquire property, real estate asset managers take several factors into consideration, such as property values, taxes, zoning, population growth, transportation, and traffic volume and patterns. Once a site is selected, they negotiate contracts for the purchase or lease of the property, securing the most beneficial terms. Real estate asset managers periodically review their company's real estate holdings and identify properties that are no longer financially profitable. They then negotiate the sale of or terminate the lease on such properties.

Property and real estate managers who work for homebuilders, real estate developers, and land development companies acquire land and plan construction of shopping centers, houses, apartments, office buildings, or industrial parks. They negotiate with representatives of local governments, other businesses, community and public interest groups, and public utilities to eliminate obstacles to the development of land and to gain support for a planned project. It sometimes takes years to win approval for a project and, in the process, managers may have to modify plans for the project many times. Once cleared to proceed with a project, managers may help to negotiate short-term loans to finance the construction of the project, and later negotiate long-term permanent mortgage loans. They then help to choose, assist, and advise the architectural firms that draw up detailed plans and the construction companies that build the project.

In many respects, the work of community association managers parallels that of property managers. They collect monthly assessments, prepare financial statements and budgets, negotiate with contractors, and help to resolve complaints. In other respects, however, the work of these managers differs from that of other residential property and real estate managers. Community association managers interact on a daily basis with homeowners and other residents, rather than with renters. Hired by the volunteer board of directors of the association, they administer the daily affairs, and oversee the maintenance of property and facilities that the homeowners own and use jointly through the association. They also assist the board and owners in complying with association and government rules and regulations.

Some associations encompass thousands of homes and employ their own onsite staff and managers. In addition to administering the associations' financial records and budget, managers may be responsible for the operation of community pools, golf courses, and community centers, and for the maintenance of landscaping and parking areas. Community association managers also may meet with the elected boards of directors to discuss and resolve legal issues or disputes that may affect the owners, as well as to review any proposed changes or improvements by homeowners to their properties, to make sure that they comply with community guidelines.

Working Conditions

Offices of most property, real estate, and community association managers are clean, modern, and well lighted. However, many managers spend a major portion of their time away from their desks. Onsite managers, in particular, may spend a large portion of their workday away from their office, visiting the building engineer, show-

ing apartments, checking on the janitorial and maintenance staff, or investigating problems reported by tenants. Property and real estate managers frequently visit the properties they oversee, sometimes on a daily basis when contractors are doing major repair or renovation work. Real estate asset managers may spend time away from home while traveling to company real estate holdings or searching for properties to acquire.

Property, real estate, and community association managers often must attend evening meetings with residents, property owners, community association boards of directors, or civic groups. Not surprisingly, many managers put in long workweeks, especially before financial and tax reports are due. Some apartment managers are required to live in the apartment complexes where they work so that they are available to handle any emergency that occurs, even when they are off duty. They usually receive compensatory time off for working nights or weekends. Many apartment managers receive time off during the week so that they are available on weekends to show apartments to prospective residents.

Employment

Property, real estate, and community association managers held about 293,000 jobs in 2002. Forty percent worked for real estate agents and brokers, lessors of real estate, or property management firms. Others worked for real estate development companies, government agencies that manage public buildings, and corporations with extensive holdings of commercial properties. Forty-six percent of property, real estate, and community association managers were self-employed.

Training, Other Qualifications, and Advancement

Most employers prefer to hire college graduates for property management positions. Entrants with degrees in business administration, accounting, finance, real estate, public administration, or related fields are preferred, but those with degrees in the liberal arts also may qualify. Good speaking, writing, computer, and financial skills, as well as an ability to tactfully deal with people, are essential in all areas of property management.

Many people enter property management as onsite managers of apartment buildings, office complexes, or community associations, or as employees of property management firms or community association management companies. As they acquire experience working under the direction of a property manager, they may advance to positions with greater responsibility at larger properties. Those who excel as onsite managers often transfer to assistant property manager positions in which they can acquire experience handling a broad range of property management responsibilities.

Previous employment as a real estate sales agent may be an asset to onsite managers because it provides experience useful in showing apartments or office space. In the past, those with backgrounds in building maintenance have advanced to onsite manager positions on the strength of their knowledge of building mechanical systems, but this is becoming less common as employers place greater emphasis on administrative, financial, and communication abilities for managerial jobs.

Although many people entering jobs such as assistant property manager do so by having previously gained onsite management experience, employers increasingly hire inexperienced college graduates with bachelor's or master's degrees in business administration, accounting, finance, or real estate for these positions. Assistants work closely with a property manager and learn how to prepare budgets, analyze insurance coverage and risk options, mar-

ket property to prospective tenants, and collect overdue rent payments. In time, many assistants advance to property manager positions.

The responsibilities and compensation of property, real estate, and community association managers increase as they manage more and larger properties. Most property managers are responsible for several properties at a time. As their careers advance, they gradually are entrusted with larger properties that are more complex to manage. Many specialize in the management of one type of property, such as apartments, office buildings, condominiums, cooperatives, homeowner associations, or retail properties. Managers who excel at marketing properties to tenants may specialize in managing new properties, while those who are particularly knowledgeable about buildings and their mechanical systems might specialize in the management of older properties requiring renovation or more frequent repairs. Some experienced managers open their own property management firms.

Persons most commonly enter real estate asset manager jobs by transferring from positions as property managers or real estate brokers. Real estate asset managers must be good negotiators, adept at persuading and handling people, and good at analyzing data in order to assess the fair market value of property or its development potential. Resourcefulness and creativity in arranging financing are essential for managers who specialize in land development.

Many employers encourage attendance at short-term formal training programs conducted by various professional and trade associations active in the real estate field. Employers send managers to these programs to improve their management skills and expand their knowledge of specialized subjects, such as the operation and maintenance of building mechanical systems, enhancement of property values, insurance and risk management, personnel management, business and real estate law, community association risks and liabilities, tenant relations, communications, and accounting and financial concepts. Managers also participate in these programs to prepare themselves for positions of greater responsibility in property management. Completion of these programs, related job experience, and a satisfactory score on a written examination lead to certification, or the formal award of a professional designation, by the sponsoring association. (Some organizations offering such programs are listed as sources of additional information at the end of this statement.) In addition to these qualifications, some associations require their members to adhere to a specific code of ethics. In some States, community association managers must be licensed.

Managers of public housing subsidized by the Federal Government are required to be certified, but many property, real estate, and community association managers, who work with all types of property, choose to earn a professional designation voluntarily because it represents formal recognition of their achievements and status in the occupation. Real estate asset managers who buy or sell property are required to be licensed by the State in which they practice.

Job Outlook

Employment of property, real estate, and community association managers is projected to increase about as fast as the average for all occupations through the year 2012. Additional job openings are expected to occur as managers transfer to other occupations or leave the labor force. Opportunities should be best for those with a college degree in business administration, real estate, or a related field, and for those who attain a professional designation.

Job growth among onsite property managers in commercial real estate is expected to accompany the projected expansion of the real estate and rental and leasing industry. An increase in the Nation's

stock of apartments, houses, and offices also should require more property managers. Developments of new homes increasingly are being organized with community or homeowner associations that provide community services and oversee jointly owned common areas, requiring professional management. To help properties become more profitable or to enhance the resale values of homes, more commercial and residential property owners are expected to place their investments in the hands of professional managers.

The changing demographic composition of the population also should create more jobs for property, real estate, and community association managers. The number of older people will grow during the 2000-12 projection period, increasing the need for various types of suitable housing, such as assisted-living facilities and retirement communities. Accordingly, there will be demand for property and real estate managers to operate these facilities, and especially for those who have a background in the operation and administrative aspects of running a health unit.

Earnings

Median annual earnings of salaried property, real estate, and community association managers were \$36,880 in 2002. The middle 50 percent earned between \$25,470 and \$56,000 a year. The lowest 10 percent earned less than \$17,450, and the highest 10 percent earned more than \$86,650 a year. Median annual earnings of salaried property, real estate, and community association managers in the largest employing industries in 2002 were as follows:

Local government	\$50,340
Offices of real estate agents and brokers	37,820
Activities related to real estate	35,750
Lessors of real estate	31,190

Many resident apartment managers and onsite association managers receive the use of an apartment as part of their compensation package. Managers often are reimbursed for the use of their personal vehicles, and managers employed in land development often receive a small percentage of ownership in the projects that they develop.

Related Occupations

Property, real estate, and community association managers plan, organize, staff, and manage the real estate operations of businesses. Workers who perform similar functions in other fields include administrative services managers, education administrators, food service managers, lodging managers, medical and health services managers, real estate brokers and sales agents, and urban and regional planners.

Sources of Additional Information

General information about education and careers in property management is available from:

► Institute of Real Estate Management, 430 N. Michigan Ave., Chicago, IL 60611. Internet: <http://www.irem.org>

For information on careers and certification programs in commercial property management, contact:

► Building Owners and Managers Institute, 1521 Ritchie Hwy., Arnold, MD 21012.

For information on careers and professional designation and certification programs in residential property management and community association management, contact:

► Community Associations Institute, 225 Reinekers Ln., Suite 300, Alexandria, VA 22314. Internet: <http://www.caionline.org>

► National Board of Certification for Community Association Managers, P.O. Box 25037, Alexandria, VA 22313. Internet: <http://www.nbccam.org>